

ARINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM O'NEILL ROOM COMMUNITY SAFETY BUILDING
2/2/09

ATTENDEES:

McGaffigan*		Bayer*	Phelps*	Dunn
DeCoursey	Connors	Simmons*	Olszewski*	
Tosti*	Foskett*	Deyst*	Ronan	
Ferrara *	Franclemont*	Jones*	Deshler*	
DuBois*	Howard*	Fanning*	Carman	Turkall*

* Indicates present

VISITORS: Town Manager Brian Sullivan, Deputy Town Manager Nancy Galkowski
MINUTES of 9/15/08 distributed as approved.

NEW MEMBERS: Angela Olszewski and Christine Deshler welcomed.

FINANCIAL OVERVIEW: Sullivan used spreadsheet handouts to present two "scenarios" for responding to the governor's proposed \$2.6m reductions in local aid. In the first scenario half the deficit would be covered by the override stabilization fund and the balance by budget reductions. In the second scenario all of the fund would be used in FY10 permitting a level funded budget. In the first case the FY11 deficit would be \$4.3m; in the second \$6.4m. Sullivan emphasized that these scenarios are not budget proposals because so much is up in the air including proposed new local taxing authority, federal stimulus money, and authority to bypass collective bargaining for health insurance. During a lengthy Q&A Sullivan made the following statements. He will continue to work to reduce health care expense. The FY09 budget will be balanced by spending only the required pension appropriation (\$400k), maintaining the hiring freeze (\$250k) and from school savings (\$100k). For FY10 reducing the minimum manning will be considered. The override stabilization fund has lost \$1m in value. Some regional agreements are being discussed including a regional health department. Regional animal control and regional DPW buying. There are \$65m in "shovel ready" infrastructure projects including Thompson School, streets & sidewalks, culverts,. Little effort on FY11 so far. The contractor at Symmes is unlikely to walk away because of sunk funds. Currently paying \$88k property tax. The Town can continue to carry BANs for several more years. No new developments at Peirce Field. The industrial partners disagree among themselves but Sullivan thinks the longer they delay the less likely that we will have to pay a roughly \$2m overrun. Sullivan has talked with the superintendent & they agree on the current approach to budgeting. He promised year-to-date actuals & and electronic version of the budget. The cost of Kevin O'Brien's retirement not yet known. He will be replaced.

TRANSFER: Sullivan requested a \$138k transfer to the legal budget to cover the cost of several police arbitration cases. In previous years a good part of this effort would have been covered in house.

VOTED to transfer \$138k from the Reserve Fund to the Legal budget. Unanimous.

BUDGET & REVENUE TASK FORCE: Tosti reported that the subcommittee studying how to handle the FY09 revenue losses will recommend 5 steps: the first scenario (see above), that the BoS urge our legislators to endorse the governor's local tax recommendations, that they review all budgets from the ground up, review all revenue sources, and urge action w/ the unions on health care.

MINUTEMAN: Tosti reported that our assessment is expected to increase only 1.3% due mostly to less enrollment from Arlington.

LOCAL AID CUTS: Tosti used a spreadsheet handout to compare Arlington's cuts to those in other towns. He considers these cuts unfair & plans to present his view to the BoS & our legislators next Monday. Foskett pointed out that if a community gets a small amount of local aid, it is fair that it should get a smaller reduction than a community that gets a large amount of local aid.

HOW TO PROCEED: Tosti suggested each subcommittee understand its assigned budgets and identify savings if possible. We might discuss the zero based budgeting idea. DPW has been directed to do a zero based budget. There was some discussion including a suggestion that the Town accept a salary reduction and that it might help for the FinCom to do this first.

COMMITTEE:

2/4 and 2/9 No mtg.

2/11 Bilafer to discuss his articles (refer to handout). Also Chaput on the distribution of the 200th anniversary fund balance, and McCabe on the Harry Barber jobs program & Minuteman Senior Service.

2/16. No mtg

2/18 capital Budget.

RESERVE FUND BALANCE: \$450,000-\$25,000 (fire truck)0-\$138,000 (legal)
=\$287,000

Peter B Howard 2/3/09 Revised 2/5/09

cc FinCom Members, Selectmen, Town Manager, Comptroller, Library File, Town Web Site
FinCom Web Site